

24 May 1979

MEMORANDUM FOR: Presidential Briefing Coordinator
FROM: Director of Central Intelligence
SUBJECT: Material for President's Trip to Korea

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1. With reference to my notes from my briefing downtown yesterday, I believe there is some additional work we can do in preparation for the President's trip to Korea. The question is how much the South Korean economy can bear increased defense expenditures. I think we should try to give the President as good a view of this as we can prior to that trip.

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2. Yesterday I signed a letter to Harold Brown in answer to a question he had asked that bore on this. I added a footnote that we would pull together our estimates of the North Korean economic capacity and the South Korean capacity and give him something further. In addition, today I talked with Secretary Holbrooke and he is concerned that the President understand the fact that a steady six percent allocation of resources to defense in a booming South Korean economy means an increase in expenditures. Still, whether that will do more than fulfill the force improvement program that the South Koreans had even prior to our analysis of the increased threat against them is not clear to me.

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3. I do hope we can do some work on this in anticipation of the President's trip.

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